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RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 6968
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RUEKJCS/CJCS WASHINGTON DC PRIORITY
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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 000675

SIPDIS

DEPT FOR EAP/J

E.O. 12958: DECL: 03/25/2019

TAGS: [PGOV](#) [JA](#)

SUBJECT: JAPANESE OPPOSITION PARTY LEADER ICHIRO OZAWA
STAYS DESPITE SCANDAL

REF: TOKYO 662

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Classified By: CDA James P. Zumwalt for reasons 1.4 (b) and (d)

11. (C) SUMMARY: Japanese opposition Democratic Party of Japan (DPJ) leader Ichiro Ozawa said during his much-anticipated press conference on March 24 that he would stay on as party president despite the indictment of his secretary in a fund raising scandal that has clouded his party's prospects in a looming Lower House election. In a 40-minute press conference, a tearful Ozawa declared that his ultimate goal is to achieve a change in government. Despite general support for Ozawa within the DPJ, the party reaction to Ozawa's decision has been mixed. END SUMMARY

12. (C) DPJ leader Ichiro Ozawa waited until late at night on March 24 to hold a press conference announcing his decision to hold on to the party presidency, despite the indictment hours earlier of Takanori Okubo, Ozawa's publicly funded secretary and political fund accountant. Okubo was charged with receiving illegal donations from Nishimatsu Construction Company through two dummy political organizations in violation of the Political Funds Control Law (Reftel). A tearful Ozawa repeatedly said that his goal was to achieve a change in government and to reduce the political influence of bureaucrats by ushering in "parliamentary democracy." He stressed that he would fulfill his party responsibilities as president if the DPJ were to win a majority of votes in a Lower House election. He added that he could not judge whether his decision would be a plus or minus for the election, according to Japanese media reports.

13. (C) Ozawa also continued to deny any involvement in the scandal that has taken down his secretary. While offering apologies for the transgression, he continued to absolve himself from any wrongdoing. He added that he could not help but wonder why prosecutors had targeted his secretary.

¶4. (C) Reactions to Ozawa's decision within the DPJ have been mixed. Some DPJ members support a fresh start for the party. A new president would bode well heading into a Lower House election, DPJ member Katsuhiko Yokomitsu is reported to have said to the Japanese media. Striking a harsher tone, Principal Deputy Chairman of the DPJ Diet Affairs Committee Jun Azumi told Embassy Tokyo that Ozawa should have followed public opinion. Japanese politics is "no longer boss politics", he declared. Ozawa is the only person in the DPJ who is "that dirty." The DPJ now stands to lose in those districts where election voting is tight. Azumi stressed that the DPJ needs a "clean" leader, like former Party President Katsuya Okada. Changing DPJ leadership might also compel the ruling Liberal Democratic Party (LDP) to do the same, Azumi concluded.

¶5. (C) Some party lawmakers clearly support Ozawa's decision to stay on as president. Most first- and second-term party members, in particular, support Ozawa's continued leadership, junior DPJ Lower House member Keiro Kitagami told Embassy Tokyo. Okubo, after all, is still innocent until proven guilty, Kitagami reasoned. The motivation behind the Prosecutor's Office also remains suspicious to many Ozawa supporters who wonder out loud about the decision to pursue Okubo and Ozawa. Although Kitagami did not call it a government-led investigation, he claimed that the Prime Minister's Office must have known about the investigation months ago and must have been aware of the potential negative effects the case would have on the DPJ's electoral prospects. The prosecutors are supposed to be independent and neutral, Kitagami lamented.

¶6. (C) The Prosecutor's Office faces many challenges that

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work in Ozawa's favor, explained Kitagami. The prosecutors must make the case that Okubo knew that the funding organizations were "dummy" entities. Okubo must also admit culpability. Prosecutors must also establish the differences between real organizations and fake ones. There are Okubo-like secretaries within the LDP as well as LDP-affiliated "dummy" organizations that prosecutors are not pursuing.

¶7. (C) Despite their support for Ozawa, his backers appear to recognize the inherent risks of keeping Ozawa as party president. Kitagami mentioned that Ozawa would have to step down if Okubo is found guilty or rearrested on charges that go beyond the political funds control law violations, such as influence peddling or bribery. Reflecting on his own election prospects, Kitagami predicted that LDP opponents in his electoral district will attack him on the scandal. He was certain that support for the DPJ would dwindle.

ZUMWALT